



CHAPTER 17

Concluding Remarks

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The objectives of the 2020 Annual Trends and Outlook Report (ATOR) are twofold. First, the report tracks past and current African agricultural policies, and evaluates their limitations and achievements. Second, it identifies further policy interventions to improve agricultural outcomes and stimulate broader transformation throughout the agrifood system so as to contribute to healthy and nutritious diets, environmental sustainability, and job creation. Collectively, the chapters converge on a number of key lessons: consolidate recent successes without repeating past mistakes, ensure that policies are both holistic and nuanced, and strengthen the broader policy and institutional setting in which sector-specific policy decisions are embedded. This chapter summarizes these findings and concludes that even though COVID-19 has been a significant global shock, it does not need to derail the region's agrifood system transformation aspirations.

Consolidate Successes but Learn from the Past

As a result of the 2014 Malabo Declaration by the African Union (AU), African countries have made many commitments, including to sustaining annual agricultural gross domestic product (GDP) growth of at least 6 percent, creating jobs for at least 30 percent of the youth in agricultural value chains, strengthening public-private partnerships, tripling intra-African trade, and improving the climate resilience of agricultural communities (AUC 2014). In many respects, there has been important progress toward meeting these commitments. For example, land and labor productivity growth improved significantly during the 2010–2018 period, compared with previous decades (chapter 2). Moreover, between 2004 and 2017, Africa's share in world agricultural GDP increased from 10 percent to 12 percent (chapter 11). The nominal rate of assistance—the share by which government policies have raised returns to farmers above what they would have been without such government intervention—shifted from being persistently negative since the 1960s to becoming positive since the 2010s, averaging 19 percent across the region (chapter 12). Nevertheless, only a handful of countries have met or surpassed the Comprehensive Africa Agriculture Development Programme (CAADP) targets of achieving 6 percent agricultural growth and allocating 10 percent of the national budget to agriculture. Furthermore, the number of people living on US\$1.90 or less per day has increased on the continent during

the 2014–2019 period, while the prevalence of stunting in the region remains stubbornly high (chapter 16).

There is a concern about the risk of policy reversal and, particularly, a return to policies that failed or were less productive in the past (chapter 2). This is especially true for policies directly related to agricultural production, such as those covering seeds, fertilizers, extension services, mechanization, and trade. Indeed, some policies that were prominent in the 1970s or 1980s are now reappearing, albeit with notable modifications. Despite much evidence on the fiscal strain, negative impacts on the private sector, and environmental implications of subsidized agricultural inputs, they continue to dominate the agricultural policy portfolios of some African countries (chapters 3, 4, and 5). In addition, publicly subsidized or state-owned agricultural mechanization service enterprises are also reemerging in several countries, including Ghana, Nigeria, and Mozambique (chapter 5). Their resurgence reveals that the long-standing tension about the appropriate role of the state vis-à-vis the private sector remains unresolved. To date, most innovations in these areas have revolved around introducing new targeting mechanisms or interventions designed more appropriately by farm size and soil type, rather than on rigorous monitoring and evaluation systems to further improve government decision-making about program efficacy.

Likewise, in the domain of trade, there have been some troubling trends. Export bans have reemerged (chapter 2), and African countries still confront more restrictions with respect to intracontinental markets than they do on the global stage (chapter 11). Long-standing issues like poor customs procedures, insufficient transport and communications logistics, and noncompliance with sanitary and phytosanitary standards are compounded by policy narratives about national self-sufficiency and food sovereignty (Mockshell and Birner 2020). The need to ensure sufficient domestic resources for agro-industrial initiatives is another challenge. The region's inconsistent approach toward trade is clearly illustrated with respect to the African Continental Free Trade Area, whereby regional commitments have been undermined by divergent national interests, especially by Nigeria's continued blocking of imports from neighboring countries in order to stimulate domestic agri-business (Bouët et al. 2019).

It is important to identify when and why policymakers revert to options that evidence shows may not be appropriate. Chapter 14 discussed the political economy of distortionary policies. Such policies could equally be the result

of a perceived lack of information about their impacts, insufficient awareness about existing evidence, or doubts about the credibility and applicability of such evidence to local conditions. Therefore, a better understanding of how national and regional policy processes operate and intersect with each other will be key for ensuring that policymakers do not divert from their national development goals or AU commitments.

Ensure That Policies Are Both Holistic and Nuanced

This ATOR's contributors have also emphasized the need for comprehensive and differentiated policy interventions. This need exists both across the agrifood system and along agricultural value chains, with the need for interventions that span training, regulations, infrastructure, and institutional reforms. One challenge of an agrifood system transformation agenda is that policies must be holistic within the system and cannot be disproportionately focused in just one area of the agrifood system or one modality of intervention. Nonetheless, budgets allocated to agriculture have gone disproportionately to subsidy programs (Goyal and Nash 2017) while agricultural research and development, irrigation, and agricultural digitalization have received fewer public resources (chapters 3, 6, 12, and 13). Likewise, regulatory policies that are needed to safeguard the health of African consumers and improve the region's international market access remain relatively weak. As discussed in chapter 10, low-income African countries face a significant burden of food-related illness, but food safety regulations—especially in domestic markets—tend to be very limited, making the control of regional and global epidemics extremely difficult. Some policies, such as creating an environment that fosters associational activity, offer high returns at lower cost. As shown in chapter 8, encouraging the formation of producer organizations alone, especially those with particular governance features, can be a way of improving agricultural productivity.

More generally, many policy domains require a break from the traditional way of doing business. Agricultural technical and vocational education and training (ATVET) programs are a good example. To transform agriculture into a business profession, such training needs to go beyond a narrow focus on just agricultural practices and provide a range of other skills to both farmers and those along the value chain, inclusive of commercial, financial, and technological

skills (chapter 9). Similarly, the potential of information and communications technology (ICT) and digitalization depends on a whole host of concurrent investments, ranging from expanded Internet connectivity, digital literacy training, and digital privacy regulations to network platforms and innovation hubs (chapter 13). Likewise, efforts to support agro-processors need to consider their varying size, commodity focus, and target markets, as well as their collective training and technology needs, and the disparate regulatory and institutional environments they encounter (chapter 7).

Overall, agrifood system transformation is a complex agenda, and there are more trade-offs to consider across different desired outcomes (such as dietary diversity, gender equity, food security, job creation, environmental sustainability, and economic growth). In turn, the need for better policy coordination is paramount, and this requires breaking out of traditional policymaking silos oriented around sector-specific portfolios (chapter 14). At the same time, it may require a stocktaking of the range of AU commitments and frameworks already set up—many of which are detailed in this report's individual chapters—to ensure that they do indeed complement each other.

Strengthen Policy Systems

Individual policies are only as effective as the larger organizational and institutional settings in which they are embedded. A focus on the policy environment was one of the groundbreaking recognitions of CAADP when it was first introduced in 2003 (chapter 2). As elaborated in chapter 15, CAADP integrated the principle of mutual accountability to ensure that government and donor commitments are tracked and scrutinized by the public. Joint sector reviews and the biennial review have provided the opportunity for operationalizing mutual accountability. As discussed in chapter 15, these mechanisms have brought about notable improvements in data collection, budget allocations, and monitoring and evaluation systems relevant to countries' agricultural systems. In addition, countries that have conducted a joint sector review within the last five years are found to have higher levels of public agricultural expenditures. In turn, these expenditures have led to increased labor and land productivity, both of which are critical for agricultural transformation. This result more broadly suggests the value of policy systems that are open and inclusive and that allow for critical feedback, introspection, and course corrections.

Other aspects of the policy system are equally important, including fiscal policies that can promote sustainable domestic revenue mobilization to continue to meet the CAADP goal of allocating at least 10 percent of annual public budgets to agriculture. Similarly, a stable macroeconomic policy environment is essential for attracting investment and enabling farmers and businesses to plan their operations. In this regard, the high debt-to-GDP and debt-to-export ratios prevailing in more than a dozen African countries will remain a concern for meeting further AU commitments on agriculture and agrifood system transformation (chapter 12).

Moreover, more focus is needed on learning from the reasons for past failed implementation of public policy commitments, as well as anticipating future implementation challenges. Public sector capacity is surely one challenge in this regard; from seed quality (chapter 3) to food safety (chapter 10), the capacity of regulators to provide needed oversight to protect farmers and consumers remains a major issue. Another potential issue is whether and how governments should be restructured to address the many complex agrifood system issues that span the traditional boundaries of ministerial mandates. Chapter 14 provided some suggestions about different public sector models in this regard. Relatedly, as some countries further devolve agricultural functions to subnational governments, strengthened forms of vertical coordination are needed. Implementation weaknesses also need to be assessed and addressed for a wide variety of functions often devolved to the local government level, including agricultural extension, ATVET, food safety oversight, and fertilizer and seed input distribution.

Conclusion

The recommendations outlined in this ATOR for generating agrifood system transformation can appear daunting. Much needs to be done across value chains and geographies, and no one policy lever will be sufficient. The COVID-19 pandemic, along with other recent shocks such as the locust plague and fall armyworm infestations, certainly complicates matters by redirecting attention and resources to other pressing needs. African governments, like their counterparts elsewhere, undoubtedly will need to prioritize how to allocate scarce financial and human resources to ensure that the transformation agenda under CAADP remains on track. At the same time, it is critical to recognize that many of the same innovations and interventions discussed in this ATOR have proved important for grappling with the pandemic, including making investments in ICT and digitalization that allow customers continued access to basic goods, engaging with producer organizations and cooperatives about effective social distancing behaviors, and keeping borders open for trade. In this way, the pandemic should not be a diversion from the efforts of African governments to strengthen their agrifood systems; instead, it underscores that such transformation is needed precisely to create healthy citizens and resilient societies that can withstand this and other similar shocks.